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S E C R E T SECTION 01 OF 03 KUWAIT 000777

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NOFORN

STATE FOR NEA/ARP, NEA, PM, S/WCI
TUNIS FOR NATALIE BROWN

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TAGS: [OVIP](#) [PREL](#) [MARR](#) [IZ](#) [KU](#)

SUBJECT: (C) SCENESETTER FOR SECRETARY'S VISIT

REF: A. KUWAIT 368

[B](#). KUWAIT 379

[C](#). KUWAIT 728

[D](#). KUWAIT 758

Classified By: AMB. RICHARD H. JONES; REASON 1.4 (B, D)

[1](#). (C) Mister Secretary, welcome back to Kuwait. The Kuwaiti leadership is looking forward to meeting with you. We are seeking to confirm an appointment with the Foreign Minister, Shaykh Dr. Mohammed Sabah al-Salem al-Sabah, on Thursday evening, March 18, and a meeting with the Prime Minister, Shaykh Sabah al-Ahmed al-Jaber al-Sabah, Saturday morning, March 20.

(U) KUWAIT: THE ONE INDISPENSABLE ALLY

[2](#). (C) Kuwait was the one indispensable ally for Operation Iraqi Freedom. It is unique: the only Arab state where both the government and public opinion openly supported us in eliminating Saddam Hussein's regime by force. The Kuwaitis understand that they need us to succeed in Iraq, and they are eager to help. They have provided strong political support to the Iraqi Governing Council, most recently by inviting Iraq to the Neighboring Countries Ministerial held here February 14-15, as a full and equal participant. The Government and private sector are working together to crystallize a creative vision of an Iraq integrated into the Gulf region and beyond. Kuwait's total pledge at the Madrid Conference, \$1.5 billion, encompasses about \$1 billion already spent in support of the liberation of Iraq, including over \$122 million for humanitarian operations. The GOK says it will consult with the Iraqis on how best to spend the remaining half-billion dollars.

(C) SHARING THE BURDEN

[3](#). (C) The GOK continues to view the US as its long-term partner and protector. It understands, perhaps better than most, that even though we do things in a very heavy, expensive way, we get results. They like being on the winning team, and feel vindicated for having sided with us in the liberation of Iraq. That said, this is a small country, rich on a small scale, and our Iraq operations dwarf its income. The Kuwaitis also want their contributions acknowledged, and they need to know what we expect them to provide and for how long. The GOK's Assistance-In-Kind (AIK) fuel for US and Coalition forces remains a pending issue: from \$8 million in 2002, it skyrocketed to well over \$400 million in 2003, and is projected to be around the same level for 2004. This represents about 22 percent of jet-fuel production, 4.5 percent of government revenues from oil sales, and 1.2 percent of GDP, proportionately equivalent to some \$150 billion in the US. Since A/S Bloomfield's successful visit in January (refs A, B), the fuel has continued to flow at the rate of about 1.3 million gallons/day (worth approx. \$1.2 million), but who ultimately will pay for it remains undetermined.

[4](#). (S/NF) A serious Operational Impact: reaching final agreement on the AIK fuel issue is critical to our continued ability to deploy forces into Kuwait. In but the most recent example of deployment problems caused by this lack of a final agreement, in February CENTCOM requested the basing of two (2) EC-130H Compass Call aircraft at Kuwait's Ali al-Salem Airbase. These aircraft were being deployed specifically to provide jamming and sophisticated electronic warfare support to defeat Improvised Explosive Devices (IEDs) that are responsible for the majority of coalition casualties in Iraq. The Chief of Staff of the Kuwait Armed Forces did not allow the deployment based on the need to reach an arrangement on the provision of fuel. Essentially we are now unable to move any additional aircraft into Kuwait without resolution of this issue. To date, ground force deployment has not been affected (presumably because the forces are rotating to Iraq and not remaining in Kuwait). However, the freeze on aircraft basing is having an increasingly serious operational impact. Request you raise the issue of AIK Fuel with the Prime Minister, encouraging his government's continued

support to the US and Coalition through provision of this fuel and resolution of what appears to be an inter-ministerial financing disagreement.

15. (C) With the fall of Saddam's regime, Kuwait is in the process of reviewing its security and defense requirements. The Ministry of Defense is increasingly concerned with its budget, and is beginning to evaluate the costs associated with support to U.S. and Coalition Forces. We expect exercises, Foreign Military Sales, Assistance in Kind, and Burden-sharing costs to receive close scrutiny. Kuwait has already scaled back participation in bilateral military exercises, we believe primarily for budgetary reasons. OSD will host the bilateral Joint Military Commission (JMC), the first since 1999, on March 30-31 in Washington. Kuwait's Minister of Defense, Shaykh Jaber Mubarak al-Hamad al-Sabah will attend. Immediately following, on April 1, SECDEF and Deputy Secretary Armitage are scheduled to host a ceremony to honor and finalize the designation of Kuwait as a Major Non-NATO Ally (MNNA). Foreign Minister Shaykh Dr. Mohammed al-Sabah is scheduled to attend the MNNA ceremony.

16. (C) Our estimate of Kuwait's financial support to the US-led coalition follows for the period 1 November 2002 - 31 October 2003:

- Kuwait MOD Budget: \$2.145 billion.

--- Burden-sharing payments to US amount to \$207 million. Includes costs for base operations, supplies, personnel support and military exercises.

--- Assistance in Kind (AIK). Estimated cost sharing of \$73 million. Includes fuel, food, TELECOM, laundry, and utilities for 20,000-40,000 US military personnel.

--- Foreign Military Sales (FMS): Kuwait also pays \$308 million in FMS payments to the US Treasury annually.

--- Total paid to the U.S.: \$644 million or 30 percent of MOD budget.

- Previously planned and agreed construction. Kuwait has previously agreed, and began construction of, Camp Arifjan in order to move ARCENT/CFLCC current operations off Camp Doha. Funding for completion has been delayed by GOK. This delay has resulted in extending &split base8 operations for CFLCC at increased cost and loss of efficiency. Request you suggest that Kuwait fully fund the remaining \$55 million in construction that it has previously agreed to complete. An extensive program of safety and maintenance upgrades to Kuwait's airbases has likewise been delayed, apparently for financial reasons. While not as mission critical as the Camp Arifjan project, this \$50 million project also should be completed by Kuwait as they have previously agreed.

- In addition to the above, Kuwait continues to provide as AIK fuel for US forces associated with Operation IRAQI FREEDOM operating in/from Kuwait; through February 2004, this is estimated at 551 million gallons worth \$463 million (rate: \$0.84/gal.), currently averaging 35 million gallons per month.

17. (S) Strategic Aerial Port of Debarkation/Embarkation (APOD): The principal APOD servicing not only Kuwait but also Iraq is located at Kuwait City International Airport. Kuwait has requested the US relocate that operation to enable it to pursue commercial development there. CENTCOM is staffing a proposal to relocate the APOD to Kuwait's Ali al-Salem Airbase, to include a significant amount of construction of runway and facilities. While Kuwait has not been formally engaged on these plans it has been informally notified. We expect that CENTCOM and OSD will soon engage Kuwait in discussions seeking its approval of the concept and exploring possible burdensharing of the potential \$500 million construction costs involved.

18. (C) Iraq Debt Relief: Secretary Baker obtained the Prime Minister's support for substantial reduction of Iraq's debt this year. The GOK has made clear it intends to act in concert with the Paris Club, and only when there is a sovereign Iraqi government to negotiate with directly. Iraq's bilateral debt to Kuwait is estimated at \$8 - 15 billion. This is apart from Gulf War reparations which are dealt with by the UNCC under UNSC resolutions.

(C) COUNTER-TERRORISM COOPERATION

19. (S) Although general CT cooperation has been excellent throughout OEF, since a change in Ministers of Interior last summer, the GOK has become slow to grasp the seriousness of the Sunni Islamist threat among Kuwaitis. It needs to respond more quickly and substantively to our requests for information on Kuwaiti Sunni extremists, especially those active in Iraq.

(C) GUANTANAMO

110. (S) Improved cooperation would strengthen the GOK's case on Guantanamo detainees: during Secretary Rumsfeld's February 22 visit, Prime Minister Shaykh Sabah spent much of their meeting pressing for the Kuwaiti Guantanamo detainees to be repatriated. Even after SECDEF made clear they are dangerous individuals, he insisted he wanted them back, stating they could be incarcerated pending trial and the GOK could adequately monitor their activities if they were released. Recent reports that British detainees would be released from Guantanamo have increased domestic political pressure on the GOK to bring the Kuwaitis home. The GOK's critics argue that this should be easy if its relations with us are as good as it claims. Of course such arguments conveniently ignore the strong measures the UK and other governments have promised to take against repatriated detainees.

(C) ARTICLE 98

111. (C) Kuwait signed an Article 98 agreement with U/S Bolton last June but after deciding not to join the ICC itself has dragged its feet on bringing the agreement into force. This is no surprise, given the GOK's basic policy of maintaining good relations with all major powers, especially UNSC members. In a hopeful sign, the Foreign Minister told the Ambassador March 6 (ref D) that Kuwait will not be a party to the Rome Statute and does not need or want to seek parliamentary ratification of the Article 98 agreement. He did not dispute the Ambassador's argument that an Article 98 agreement could be useful even between two non-signatories, and left the impression that the GOK will soon notify us of entry into force.

(C) IRRITANTS

112. (C) Trafficking In Persons: Since you raised the issue with then-Minister of State for Foreign Affairs Shaykh Dr. Mohammed al-Sabah (now Foreign Minister) last April, the GOK has made progress on the major TIP problem in Kuwait, the exploitation of (mostly female) domestic servants by some employers. The GOK has not fully engaged with us, however, and lags behind other GCC states that have had more time to come to grips with the issue because they were listed in the TIP Report earlier than Kuwait.

113. (C) Special 301: After a promising upsurge in 2002, Kuwait took little action to protect IPR in 2003. Its rate of piracy of optical media is considered the worst in the Gulf, partly because other states have made dramatic improvements in the past few years. In keeping with industry's recommendation, Kuwait is likely to be escalated to Special 301's Priority Watch List this year (ref C).

114. (U) US Visas: Student-visa applications in Kuwait rose about 25 percent in 2003, rebounding from the post-9/11 decline. The Kuwaiti government and public have not made an issue of the recent requirement for biometric data (electronic fingerprint) collection.

(U) RECOMMENDED PRESS EVENT

115. (SBU) Post recommends a roundtable with editors-in-chief of local newspapers (5-6 individuals).

116. (U) Baghdad minimize considered.
JONES